

Message Text

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PAGE 01 BONN 01550 01 OF 02 262215Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
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R 261758Z JAN 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 5250
INFO AMEMBASSY BERLIN
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
USMISSION USBERLIN
USMISSION USNATO

C O N F I D E N T I A L SECTION 01 OF 02 BONN 01550

E.O. 11652: GDS
TAGS: PGOV, BQG
SUBJECT: CHANCELLERY OFFICIAL'S COMMENTS ON INNER-GERMAN
RELATIONS

REF: (A) 77 USBER 3098, (B) 77 USBER 2278, (C) BONN 1454

SUMMARY: CHANCELLERY OFFICIAL STERN INFORMED EMBOFF
JANUARY 24 THAT THE DENIAL OF ENTRY TO EAST BERLIN TO CDU
PARTY CHIEF KOHL WAS PROBABLY UNCONNECTED WITH THE
"SPIEGEL" MANIFESTO OR THE GENERAL STATE OF FRG/GDR RELA-
TIONS, SAW NO REASON TO BELIEVE THE SOVIETS ARE
DISPLEASED WITH HONECKER OR THAT HIS POSITION IS INSECURE
AND DOUBTED THAT MUCH IS LEFT WHICH CAN BE EASILY NEGOTI-
ATED BETWEEN THE FRG AND THE GDR. FINALLY, HE SAID THAT
A SCHMIDT/HONECKER MEETING WILL DEPEND ON SCHMIDT'S
POLITICAL DECISION AND SAID THAT UNLESS SCHMIDT IS ABLE
TO ACHIEVE SOMETHING OF VALUE FROM A MEETING, SUCH A
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PAGE 02 BONN 01550 01 OF 02 262215Z

MEETING POSES A POLITICAL DANGER FOR SCHMIDT IN THE FRG.
END SUMMARY

1. IN A LUNCHEON WITH MINISTERIALDIRIGENT (DEPUTY
ASSISTANT SECRETARY EQUIVALENT) STERN OF THE CHANCELLERY
ON JANUARY 24, EMBOFF INQUIRED AS TO STERN'S VIEWS ON THE
FUTURE OF INNER-GERMAN RELATIONS IN VIEW OF THE RECENT

DEVELOPMENTS. HE BEGAN BY ASKING WHETHER THE GDR'S STATED DESIRE NOT TO ALLOW A DETERIORATION IN THOSE RELATIONS WAS CONSISTENT WITH THE RECENT TURN-BACK OF CDU PARTY CHIEF KOHL AND WHETHER THE KOHL TURN-BACK HAD ANY CONNECTION WITH THE "SPIEGEL" MANIFESTO. STERN SAID THAT HE THOUGHT THE KOHL TURN-BACK AND THE SPIEGEL AFFAIR WERE INDEPENDENT OF EACH OTHER. CITING SIMILAR DENIALS OF ENTRY TO THE BADEN-WUERTTEMBERG CDU FRAKTION AND THE FDP LANDTAG FRAKTION FROM LOWER SAXONY (REFS A AND B), HE ALSO EXPRESSED THE VIEW THAT THE DENIAL OF ENTRY WAS PROBABLY NOT CONNECTED WITH THE STATE OF FRG/GDR RELATIONS. THE GDR IS PROBABLY NOT A COMPLETELY FREE AGENT IN THIS TYPE OF AFFAIR AND THE SOVIETS WERE CLOSELY INVOLVED. THE QUESTION IS OFTEN POSED BUT NEVER ANSWERED WHETHER IT IS THE SOVIETS OR THE GDR WHO PROVIDE THE INITIAL IMPULSE.

2. EMBOFF THEN INQUIRED WHETHER THE SOVIETS ARE, AS IS SOMETIMES ALLEGED, UNHAPPY ABOUT THE PRESENT STATE OF FRG-GDR RELATIONS AND WHETHER SOVIET DISPLEASURE OVER SUCH INNOVATIONS AS THE INTERSHOP SYSTEM MIGHT BE INVOLVED. STERN SAID THAT IN HIS VIEW THE SOVIETS WERE NOT UNHAPPY WITH THE GDR AT THE PRESENT TIME SO LONG AS GDR INITIATIVES WERE SUCCESSFUL. IN THIS CONNECTION, THE GDR IS FACING AND (BY ATTEMPTING TO SATISFY THEM) EVEN EXACERBATING THE PROBLEM OF INCREASED EXPECTATIONS BY ITS CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BONN 01550 01 OF 02 262215Z

POPULATION. THE MORE IT SEEKS TO SATISFY THE DEMAND FOR CONSUMER GOODS, THE MORE THESE DEMANDS INCREASE. HONECKER SEEMS TO BE TAKING A REAL RISK AND IS PUTTING ALL OF HIS BETS ON AN IMPROVED ECONOMIC SITUATION IN THE GDR. IT IS THIS SITUATION, MORE THAN THE POLITICAL SITUATION (ALTHOUGH THE FRG CANNOT OFFICIALLY ADMIT THIS) WHICH COMPELS THE GDR TO EXERCISE TIGHT CONTROL TO PREVENT EMIGRATION.

3. WITH RESPECT TO PURPORTED DIFFERENCES BETWEEN HONECKER AND STOPH, HE SAID THAT HONECKER'S SITUATION APPEARS TO BE LARGELY UNCHANGED. HONECKER DOES NOT RULE THE GDR ALONE, NOR HAS HE IN THE PAST, AND THE GDR'S COLLEGIAL TYPE OF LEADERSHIP (WITH HONECKER FIRST AMONG EQUALS) CONTINUES UNCHALLENGED.

4. HE SAID THAT THE FRG WISHES TO ENSURE THAT THERE IS NO DETERIORATION IN FRG-GDR RELATIONS AND THAT THIS IS THE REASON FOR THE PLANNED WISCHNEWSKI VISIT TO EAST BERLIN (REF C). IN RESPONSE TO A QUESTION AS TO WHAT THERE IS LEFT WHICH MIGHT BE NEGOTIATED BETWEEN THE FRG AND THE GDR, SINCE IT APPEARS THAT AGREEMENT ON THE LAST

OF THE MINOR CONSTRUCTION IMPROVEMENTS AND THE VETERINARY
AGREEMENT IS NOT FAR OFF, STERN SAYS THERE IS VERY
LITTLE. HE MENTIONED ONLY THE HAMBURG-BERLIN AUTOBAHN,

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PAGE 01 BONN 01550 02 OF 02 262213Z
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C O N F I D E N T I A L SECTION 02 OF 02 BONN 01550

ON WHICH TALKS WILL START THIS YEAR. HE SAW LITTLE
PROSPECT FOR SUCCESSFUL RESOLUTION OF THE ENVIRONMENTAL
PROBLEMS, SAID THAT BERLIN ENERGY PROPOSALS SHOW NO SIGN
OF ADVANCING AND, WHILE THE OPENING OF THE TELTOW CANAL
WOULD BE A STEP FORWARD, HE ADMITTED THAT THIS WAS A
HIGHLY POLITICAL PROBLEM AND THAT IT WAS UNLIKELY THAT IT
COULD BE RESOLVED IN THE NEAR FUTURE.

5. REFERRING BACK TO THE 84-POINT STOCK TAKING
("BESTANDSAUFNAHME") WHICH THE FRG PREPARED EARLIER THIS
YEAR, HE SAID THAT IT WAS USEFUL IN THREE ASPECTS.
FIRST, IT PROVIDED THE FRG WITH A CATALOG OF WHAT THE FRG
MIGHT SUCCESSFULLY NEGOTIATE WITH THE GDR AND WINNOWNED
OUT CERTAIN PROPOSALS WHICH WERE IMPOSSIBLE TO ACHIEVE.
SECOND, IT PROBABLY PREVENTED THE GDR FROM TAKING
MEASURES SUCH AS THOSE WHICH WERE TAKEN AT THE BEGINNING

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PAGE 02 BONN 01550 02 OF 02 262213Z

OF LAST YEAR AND, FINALLY, IT INFORMED HIGHER LEVELS OF THE FRG WHAT THE PROSPECTS WERE FOR FRG-GDR NEGOTIATIONS.

6. REFERRING TO THE ECONOMIC ASPECTS OF THE FRG-GDR RELATIONS, HE SAID THAT THESE HAVE REMAINED LARGELY UNAFFECTED BY POLITICAL CONSIDERATIONS. THE GDR'S NEED FOR HARD CURRENCY HAS RESULTED IN A DM TRANSFER THROUGH GIFTS OF SOME DM 100--130 MILLION A YEAR. ONLY THE SED FAITHFUL DID NOT BENEFIT FROM THE INCREASED USE OF WEST MARKS. EMBOFF SUGGESTED THAT THEY MIGHT BE REWARDED WITH THE VW-GOLFS. STERN SAID IT WAS NOTEWORTHY THAT THE GOLF WILL COST 30,000 EAST MARKS IN THE GDR WHILE FRG CITIZENS, WHO WISH TO MAKE A GIFT OF A GOLF TO SOMEONE IN THE GDR, CAN PURCHASE THEM FOR 13,000 MARKS FROM THE CATALOG OF THE COMPANIES (GENEX AND JAUERFOOD) THE GDR MAINTAINS IN SWITZERLAND AND DENMARK FOR THIS PURPOSE. RESPONDING TO A QUESTION WHETHER THE ESTIMATE OF DM WEST 300-400 MILLION PROFIT THE INTERSHOP SYSTEM BRINGS TO THE GDR (AS WE HAVE BEEN INFORMED BY AN OFFICIAL IN THE MINISTRY OF INNER-GERMAN RELATIONS) IS CORRECT, HE SAID THIS WAS PROBABLY A REASONABLE ESTIMATE BUT THAT THE ACTUAL FIGURE COULD BE SUBSTANTIALLY HIGHER OR LOWER THAN THAT. THE ESTIMATE OF DM TRANSFERS RESULTING FROM THE GIFT TRAFFIC IS, HOWEVER, HIGHLY ACCURATE.

7. IN THIS CONNECTION, HE SAID THAT FOR THE LAST THREE YEARS THE GDR HAS DONE SOMETHING WHICH WAS THERETOFORE UNPRECEDENTED, IT PAYS FOR IMPORTS NOT ONLY IN GDR EXPORTS TO THE FRG BUT ALSO IN HARD CURRENCY. THIS IS DUE TO THE LARGE INFLOW OF WEST MARKS FROM INTERSHOP, THE GIFT BUREAUS, AND THE ANNUAL LUMP-SUM POSTAL PAYMENT. (IN CONTRAST TO MOST OTHER FRG/GDR TRANSACTIONS, THE POSTAL PAYMENT IS EXCLUDED FROM THE ANNUAL BALANCING OF

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PAGE 03 BONN 01550 02 OF 02 262213Z

ACCOUNTS AND IS PAID IN CASH.)

8. IN RESPONSE TO A QUESTION AS TO THE EFFECT OF THE RECENT EVENTS ON THE PROSPECTS FOR A HONECKER-SCHMIDT VISIT, STERN SAID THAT THIS WILL DEPEND ENTIRELY ON SCHMIDT. HE SAID THAT THERE IS A PARTICULAR DANGER FOR SCHMIDT IN MAKING THIS A STATE VISIT SINCE THE FRG CITIZENRY WILL HAVE GREAT EXPECTATIONS FOR THE RESULTS OF SUCH A VISIT. EMBOFF ASKED WHETHER THE FACT

THAT THERE APPEARS TO BE LITTLE LEFT TO NEGOTIATE
COMBINED WITH THE INTERNAL POLITICAL DANGER WHICH SCHMIDT
WOULD FACE MEANS THAT NO VISIT WILL TAKE PLACE. STERN
SAID THAT THERE ARE TWO UNKNOWN FACTORS IN THE EQUATION
WHICH MAKE THE QUESTION UNANSWERABLE. THESE FACTORS ARE
FIRST, WHETHER THE GDR CAN DROP THE AGE AT WHICH
PENSIONERS CAN TRAVEL TO THE WEST BY TEN YEARS (THE
PRESENT AGES ARE 65 FOR MEN AND 60 FOR WOMEN) AND,
SECOND, THE INFLUENCE OF SPD BUNDESTAG CHIEF WEHNER, WHO
WHOLEHEARTEDLY SUPPORTS THE VISIT. AT THE PRESENT TIME,
HOWEVER, THERE APPEAR TO BE NO IMMEDIATE PLANS FOR SUCH A
VISIT BUT THE ULTIMATE DECISION MUST BE A POLITICAL ONE
TO BE MADE BY SCHMIDT.
STOESSEL

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